

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING				FORM 3 AMENDED REPORT <input checked="" type="checkbox"/>		
APPLICATION FOR PERMIT TO DRILL				1. WELL NAME and NUMBER HB Mikhail 4-2		
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>				3. FIELD OR WILDCAT HORSESHOE BEND		
4. TYPE OF WELL Oil Well <input type="checkbox"/> Coalbed Methane Well: NO <input type="checkbox"/>				5. UNIT or COMMUNITIZATION AGREEMENT NAME		
6. NAME OF OPERATOR QUINEX ENERGY CORP				7. OPERATOR PHONE 801 292-3800		
8. ADDRESS OF OPERATOR 465 South 200 West, Bountiful, UT, 84010				9. OPERATOR E-MAIL mike@quinexenergy.com		
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) ML-50418		11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>		12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>		
13. NAME OF SURFACE OWNER (if box 12 = 'fee')				14. SURFACE OWNER PHONE (if box 12 = 'fee')		
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')				16. SURFACE OWNER E-MAIL (if box 12 = 'fee')		
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')		18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>		19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>		
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	2114 FSL 2047 FWL	NESW	2	7.0 S	21.0 E	S
Top of Uppermost Producing Zone	2114 FSL 2047 FWL	NESW	2	7.0 S	21.0 E	S
At Total Depth	2114 FSL 2047 FWL	NESW	2	7.0 S	21.0 E	S
21. COUNTY UINTAH		22. DISTANCE TO NEAREST LEASE LINE (Feet) 2047		23. NUMBER OF ACRES IN DRILLING UNIT 40		
		25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1100		26. PROPOSED DEPTH MD: 7200 TVD: 7200		
27. ELEVATION - GROUND LEVEL 5041		28. BOND NUMBER NZS499876		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Naple City Municiple Water Source		
ATTACHMENTS						
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES						
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER			<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)			<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)			<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
NAME Don Hamilton		TITLE Consultant		PHONE 435 719-2018		
SIGNATURE		DATE 09/07/2010		EMAIL starpoint@etv.net		
API NUMBER ASSIGNED 43047512840000		APPROVAL  Permit Manager				

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	8.5	7	0	7200		
Pipe	Grade	Length	Weight			
	Grade N-80 LT&C	7200	26.0			

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Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	9.625	0	720		
Pipe	Grade	Length	Weight			
	Grade J-55 ST&C	720	40.0			

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DRILLING PLAN
QUINEX ENERGY CORPORATION
HB Makhail 4-2
 2047 FNL 2114 FSL NE1/4, SW1/4
 SECTION 2, T 7 S, R 21 E
 UTAH COUNTY, UTAH
 Lease No: ML-50418

1 & 2 ESTIMATED TOPS ANTICIPATED OIL, GAS AND WATER ZONES

<u>FORMATION</u>	<u>DEPTH</u>	<u>ZONE TYPE</u>	<u>MAX. PRESSURE</u>
Uinta Fm.	Surface	Water & Gas	1,602.4 psi
Green River Formation	3,700'	Oil, Gas & Water	2,663.5 psi
Basal Green River	6,150'	Oil, Gas & Water	2,858.4 psi
Douglas Creek	6,600'	Oil, Gas & Water	3,118.3 psi
Wasatch Tongue	7,200'	Oil, Gas & Water	3,118.3 psi

Max Pressure is figured as Hydrostatic .4331 pounds per square foot X Depth.

3. PRESSURE CONTROL EQUIPMENT

An 11" Rotating Head from 400' to 7,200' on Surface. A 5M BOP Stack, 5M Fill and Kill lines and Choke Manifold from 400' to 7,200'. The BOPE and related equipment will meet the requirements of the 5M and 10M system.

The surface casing will be equipped with a flanged casing head of 5M psi working pressure. An 11.0" 5M BOP and 5M Annular preventer will be nipped up on the surface casing and tested to 250 psi low pressure test and 5M psi high pressure test prior to drilling out. The surface casing will be tested to 1,500 psi. The choke manifold equipment, upper Kelly cock and floor safety valves will be tested to 5M psi. The annular preventer will be tested to 250 psi low test and 2,500 psi high test or 50% of the rated working pressure.

The BOPE will be tested after running intermediate casing, after any repairs to the equipment and at least every 30 days while drilling.

The pipe and blind rams will be activated each time a trip is made, and the annular preventer will be activated weekly.

Weekly BOP tests will be held with each crew.

Other equipment will include:

- a. Mud logger with gas monitor. On at 1,800'
- b. Choke Manifold with one manual and one hydraulic operated choke
- c. Full opening floor valve with drill pipe thread
- d. Upper and lower Kelly Cock
- e. Shaker, desander, desilter, and mud cleaner

See the attached diagrams:

4. **CASING AND CEMENTING PROGRAM:**

	<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COLLAPSE</u>	<u>CEMENT</u>
Surface	12 ¼"	0-720'	720'	9 5/8"	40.0#	J 55	ST&C	1,130#	550 sx class G to Surface
Prod	8 1/2"	0-7,200'	7,200'	7.00"	26.0#	N 80	LT&C	5,410#	Calculated from logs to 100'
	inside surface casing								

Surface Casing: 550 sacks Class G @ 15.6 lb/gal, yield 1.15 cuft/per sx with 2% CaCl

Production Casing: Lead 300 sacks of Premium Lite @ 11 lb/gal, yield 3.2 cuft/sx, with 2% CaCl. Tail 420 sacks Class G 14.4 lb/gal, yield 1.25 cuft/sx, 50:50 poz 2% CaCl 2% gel. Sufficient to bring cement up 100 feet inside the surface casing as calculated from the openhole logs.

5. **MUD PROGRAM:**

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	
Surface	Water & gel	8.5 to 8.9	PPG
Production	Water, Gel & Weight as needed	8.9 to 9.1	PPG

Anticipated mud weights and lost circulation zones are based on offsetting wells and drilling data. Mud weights may be higher than projected, depending on actual zones encountered during drilling.

Visual mud monitoring equipment will be utilized.

Sufficient mud inventory will be maintained on location during drilling operations to handle any adverse conditions that may arise.

6. **VARIANCE REQUESTS:**

None

7. **EVALUATION PROGRAM**

Gamma Ray, Density, Neutron, Resistivity,	7,200' to Surface Casing
Gamma Ray, Cement Bond,	TD to 100' inside of Surface Casing

Cores	None
DST's	None

8. **ABNORMAL CONDITIONS**

There are no abnormal bottomhole conditions and the maximum pressure anticipated is 3,120 psi.

9. **OTHER**

No chemicals subject to reporting under SARA III in an amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually with the drilling of this well, Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold quantities, will be used, produced, stored, transported or disposed of in association with the drilling of this well.

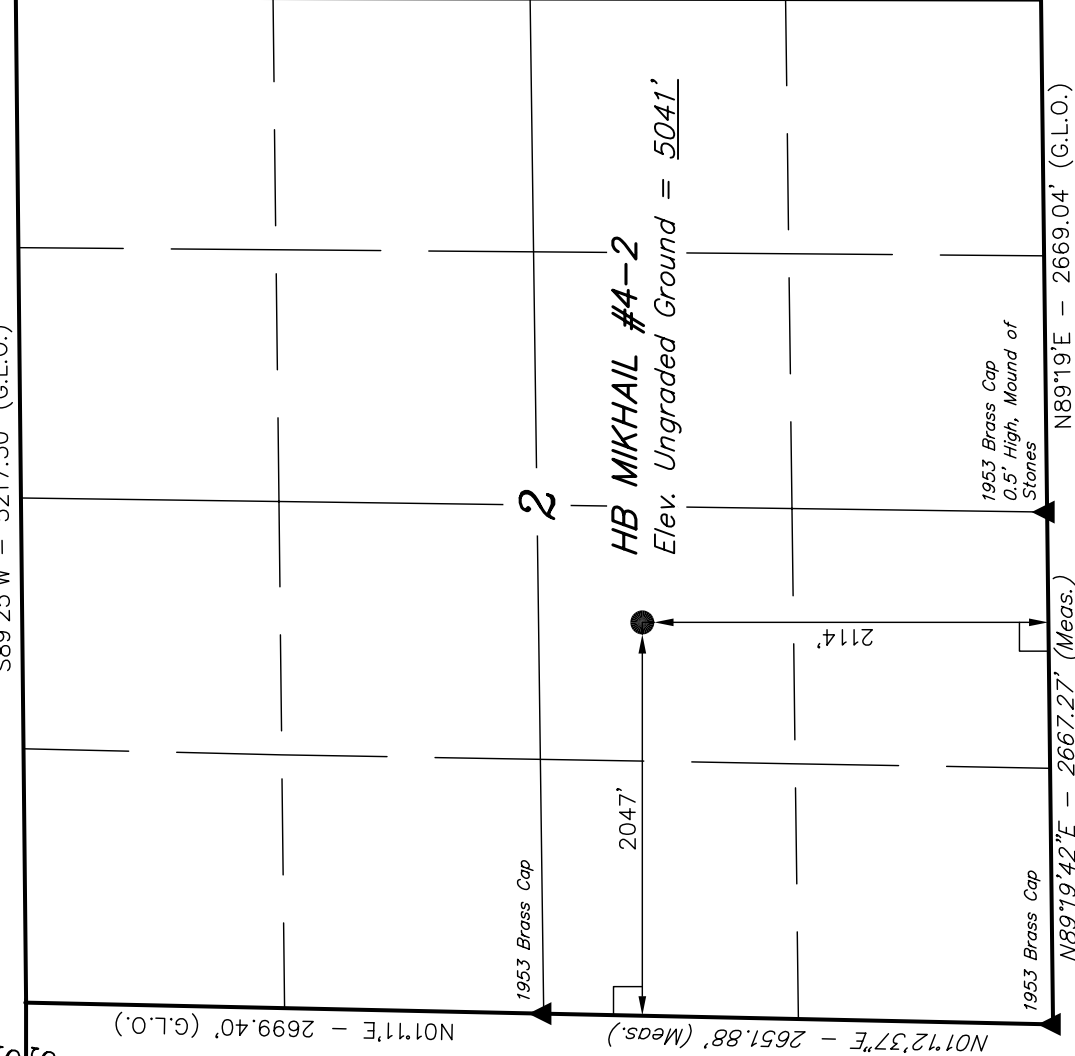
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QUINEX ENERGY CORP.

Well location, HB MIKHAIL #4-2, located as shown in the NE 1/4 SW 1/4 of Section 2, T7S, R21E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

509C – M C7 17C – NC.7.17C (9.7.9)

$$\frac{T_{6S}}{T_{7S}}$$


LEGEND:

-  = 90° SYMBOL
 = PROPOSED WELL HEAD.
 = SECTION CORNERS LOCATED.

NAD 83 (SURFACE LOCATION)

NAD 83 (SURFACE LOCATION)		
LATITUDE =	40°14'22.29"	(40.239525)
LONGITUDE =	109°31'30.87"	(109.525242)

NAD 27 (SURFACE LOCATION)

NAD 27 (CONICAL LOCATION)	
LATITUDE = 40°14'22.42"	(40.239561)
LONGITUDE = 109°31'28.38"	(109.524550)

UTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'

DATE SURVEYED:	DATE DRAWN:
08-11-10	08-19-

PARTY	B.B.
-------	------

REFERENCES

WEATHER	WARM
---------	------

FILE	QUINCY ENERGY CORP
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5336.76' - 5336.76' (G.L.O.)

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PARTY WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

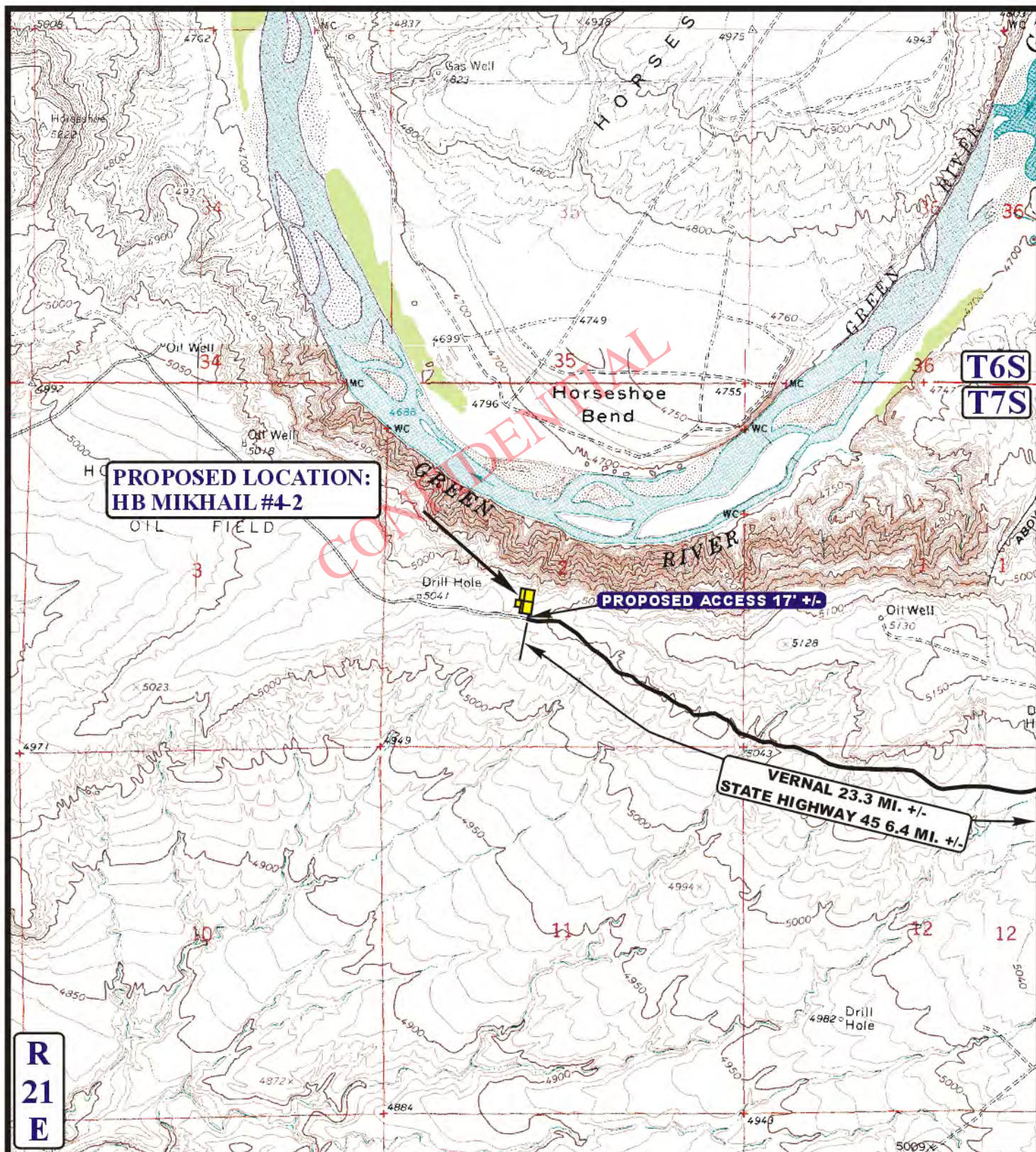
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

BASIS OF BEARINGS

SPOT ELEVATION AT THE SOUTHEAST CORNER OF SECTION 3, T7S, R21E, S.L.B.&M. TAKEN FROM THE BRENNAN BASIN QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4949 FEET.

A
TOPO



**R
21
E**

**T6S
T7S**

LEGEND:

----- PROPOSED ACCESS ROAD
 ————— EXISTING ROAD



QUINEX ENERGY CORP.

**HB MIKHAIL #4-2
 SECTION 2, T7S, R21E, S.L.B.&M.
 2114' FSL 2047' FWL**



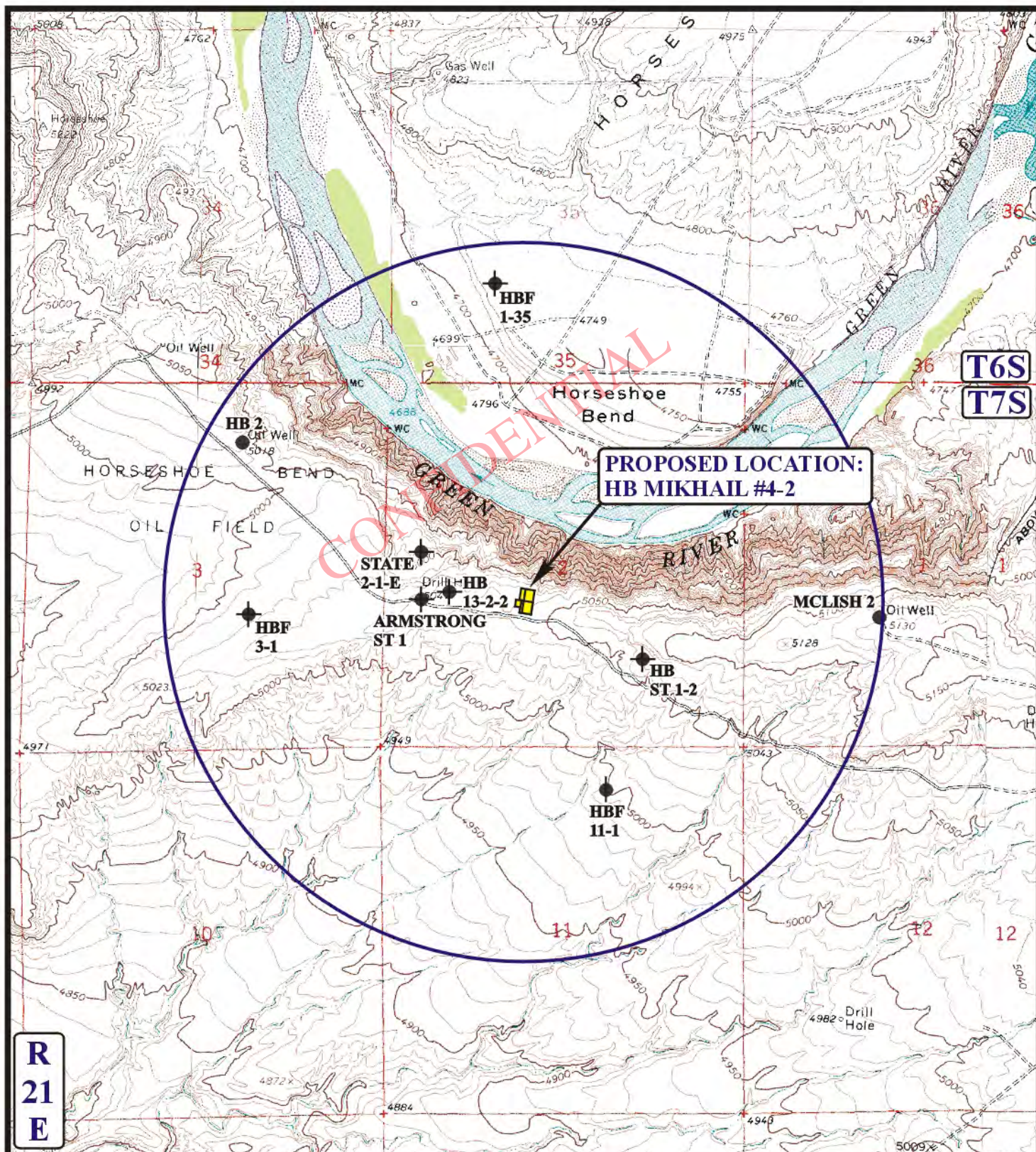
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
 MAP**

08 26 10
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00





LEGEND:

- | | |
|-------------------|-------------------------|
| ○ DISPOSAL WELLS | ○ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



QUINEX ENERGY CORP.

**HB MIKHAIL #4-2
SECTION 2, T7S, R21E, S.L.B.&M.
2114' FSL 2047' FWL**



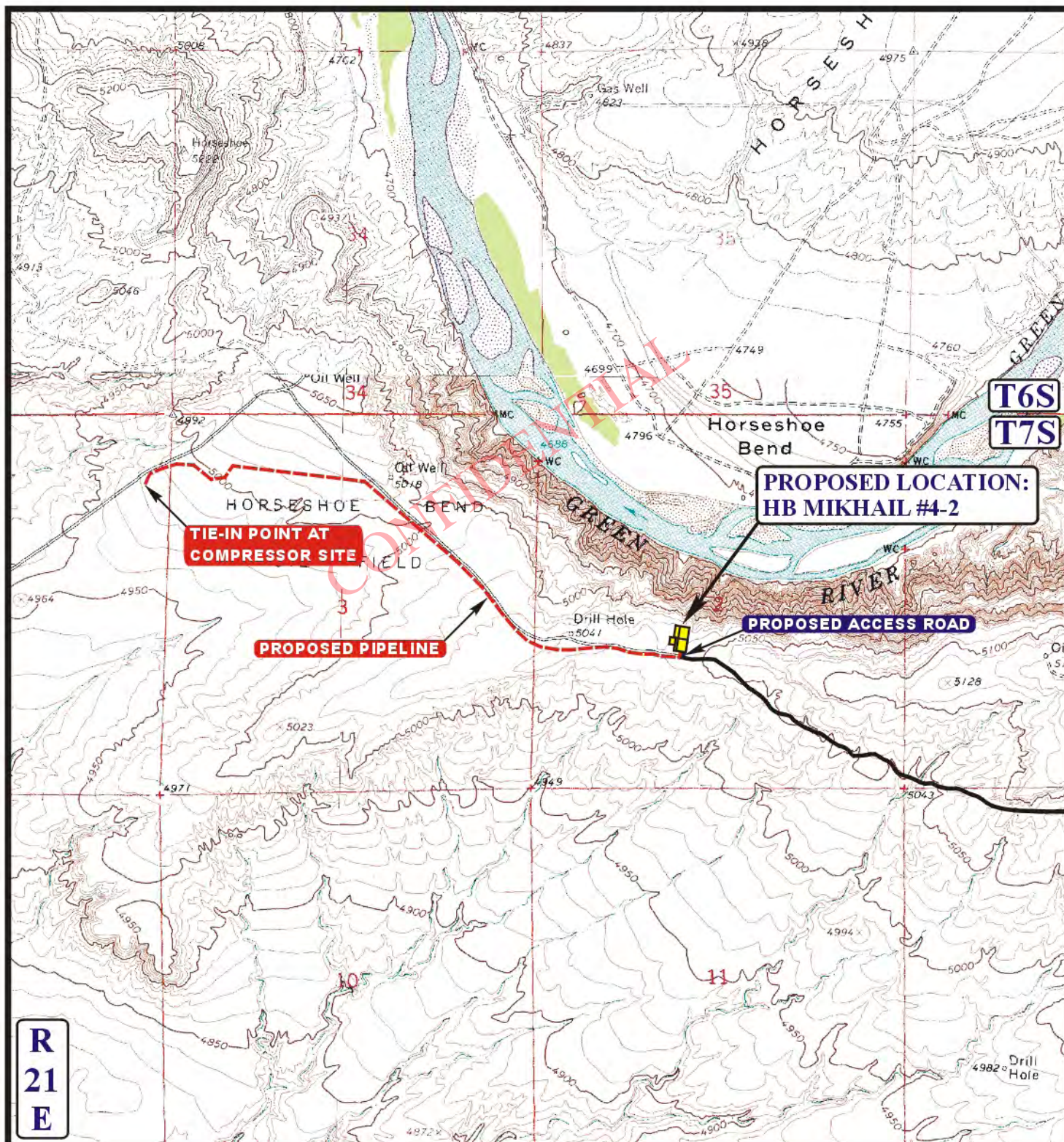
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**TOPOGRAPHIC
MAP**

08 26 10
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 8,966' +/-

LEGEND:

- EXISTING PIPELINE
- - - - PROPOSED PIPELINE
- PROPOSED ACCESS



QUINEX ENERGY CORP.

**HB MIKHAIL #4-2
SECTION 2, T7S, R21E, S.L.B.&M.
2114' FSL 2047' FWL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

08 26 10
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00



SURFACE PLAN
QUINEX ENERGY CORPORATION
HB Mikhail 4-2
2114' FSL & 2047' FWL NE1/4, SW1/4
SECTION 2, T 7 S, R 21 E, SLB&M
UINTAH COUNTY, UTAH
Lease No: ML-50418

PRESITE INSPECTION:

The onsite inspection for the subject well site will be conducted as scheduled by the State of Utah Division of Oil, Gas & Mining.

ATTENDEES:

Paul Wells	Quinex Energy
Mike Hebertson	Quinex Energy
Don Hamilton	Buys & Associates
	State of Utah Trust Lands
	Oil, Gas & Mining

1. EXISTING ROADS

A. The proposed well site is located approximately 23.5 miles south of Vernal, Utah.

B. Directions to the location from Vernal, Utah are as follows:

Proceed in a southeasterly direction from Vernal, Utah via US Highway 40 to the intersection of State Highway 45 in Naples Utah. Turn right onto State Highway 45 and continue southerly for a total of about 16.9 miles to a County Road that is heading west (about 5 miles after crossing the Green River). Turn right and continue west 4.2 miles and take the right hand fork in the road. Continue westerly 2.2 miles until reaching the proposed location on the right or north side of the road.

C. For location of access roads within a 1 Mile radius, see Maps A, B & C.

D. Improvement to existing main roads will not be required.

E. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

F. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency will be maintained in accordance with the standards of the managing agency.

2. PLANNED ACCESS ROADS

A. There will be 0.01 (55') miles of new access to be constructed.

B. The maximum grade is approximately ½ %.

C. No turnouts are planned.

D. No culverts will be necessary. No low water crossings will be required, however a pipeline crossing will be required.

E. The access road was centerline surveyed at the time of staking.

F. The use of surfacing material will be the same as those used to build the location

G. No cattle guards will be necessary.

H. Surface disturbance and vehicular travel will be limited to the approved location and approved access route.

I. Access roads and surface disturbing activities will conform to standards set forth by Uintah County and SITLA.

J. The road will be constructed to meet the standards of the anticipated traffic flow and all weather road requirements. Construction will include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road will be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings will be of the typical dry creek drainage crossing type. Crossings will be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor will the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water will be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading will not be allowed during muddy conditions. Should mud holes develop, they will be filled in and detours around them avoided.

K. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

L. No road rights-of-way will be necessary since all new access is within the lease boundary.

3. **EXISTING WELLS WITHIN A 1 MILE RADIUS OF THE PROPOSED WELL (See Map)**

A. Water Wells:	0
B. Injection Wells:	0
C. Producing Wells:	1
D. Drilling Wells:	0
E. Shut-In Wells:	2
F. Temp Abandoned:	0
G. Disposal Wells:	0
H. Abandoned Wells:	7

4. LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES

A. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted to match the landscape probably Desert Tan. All facilities will be painted within six months of installation.

B. Storage facilities such as tank batteries will be constructed on this lease, the facility and the well pad will be surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire contents of the largest tank within the facility unless more stringent protective requirements are deemed necessary by the authorized officer.

C. If production is established, a production facility diagram will be submitted via Sundry Notice.

D. All loading lines will be placed inside the berm surrounding the location.

E. Gas meter runs for each well will be located on lease. The gas flow line will be surface laid and anchored down from the wellhead to the separator. Meter runs will be housed.

F. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any sale being made. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter.

G. Any necessary pits will be properly fenced to prevent any wildlife entry.

I. All site security guidelines will be adhered to.

J. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.

L. The road will be maintained in a safe useable condition.

M. Produced water will be stored in a 300 bbl heated, insulated tank, then hauled to a commercial disposal site. It is possible that onsite power generation for the project will be installed at this location, and that the produced water will be evaporated and used to cool the system

N. Pipelines will follow the established roads shown on Map D to a point even with the compressor then cross country to the tie in point Section 3 is BLM Land and a right of way will be obtained. See Pipeline detail attached. No pipeline right of way will be necessary across the portion of section 2 that is covered by this lease.

5. LOCATION AND TYPE OF WATER SUPPLY

A. Water will be purchased from the nearest Municipal water source, probably Naples.

B. Water will be hauled by truck to the location over the access roads

C. No water well will be drilled on this lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. Surface and subsoil materials in the immediate area will be utilized where possible. In the case of this well it may be more cost effective to build up the location than dig it down.
- B. Any gravel used will be obtained from a commercial source.
- C. Construction material is not available on lease.
- D. No construction materials will be removed from State land.

7. METHODS OF HANDLING WASTE DISPOSAL

- A. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- B. The reserve pit will require blasting to obtain sufficient depth and a 12 mil liner will be required. If fractured rock is encountered, the pit will be first lined with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overtop the pit walls and be covered with dirt or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit.
- C. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal site.
- D. During the testing period produced waste water will be confined to the reserve pit and will be cleaned up by vacuum truck when the well goes on production. Produced water will be disposed of at a State approved facility.
- E. Drill cuttings are to be contained and buried in the reserve pit, and the liner will be folded in over the cuttings after they are dried out. The pit and cuttings will be buried 3 to 4 feet deep and revegetated to hold the soils in place after completion work is finished. All unused portions of the location and shoulders of the access road will be vegetated for soil control purposes. If required a siltation fence will be installed at the toe of the fill slopes to control erosion until new plant growth can be established.
- F. Any salts or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- G. A chemical portable toilet will be furnished with the drilling rig.
- H. The produced fluids will be produced into the reserve pit until such time as construction of production facilities is completed. Any spills of oil, fuel, salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. WELL SITE LAYOUT

- A. The operator or an authorized representative will contact the DOGM Twenty four (24) hours prior to construction of location and access.
- B. The reserve pit will be located on the north side of the location.
- C. The flare pit will be located on the east side of the reserve pit, a minimum of 100 feet from the well head.
- D. The stockpiled topsoil (first six inches) will be stored on the west side of the location. Topsoil along the access route will be wind rowed on the uphill side.
- E. Access to the well pad will be from the north and east as shown on the Pit & Pad Layout.
- F. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.
- G. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles are shown on the Location Layout and are more or less standard for the average drilling rig.
- H. All pits will be fenced according to the following minimum standards:
1. Wire net fence will be used with at least one strand of barbed wire on top of the wire net.
 2. The wire net will be no more than 2 inches above the ground. The barbed wire will be 3 inches above the wire net. Total height of the fence will be at least 42 inches.
 3. Corner posts will be braced in such a manner to keep the fence tight at all times.
 4. Standard steel or pipe posts will be used between the corner braces.
 5. Maximum distance between any two posts will be no greater than 16 feet.
 6. All wire will be stretched, by using a stretching device, before it is attached to the corner posts.

J. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. Plans for Surface Restoration

Producing Location:

- A. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- B. Upon completion all hydrocarbons on the pit will be removed.
- C. The pit liner is used it will be torn and perforated before backfilling of the reserve pit.

D. The reserve pit and that portion of the location not needed for production facilities or operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within one year from the date of well completion. Before any dirt work takes place, the reserve pit will have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.

E. Reclamation of unused disturbed areas on the well pad and access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding. Seeding will be performed within a year after the location has been reclaimed and the pit has been backfilled, regardless of the time of year. Seed will be broadcast and walked in with a dozer.

F. The topsoil stockpile will be seeded as soon as the location has been constructed with the recommended seed mix. The seed will be walked in with a cat.

11. Interim Surface Reclamation

A. Immediately after final well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production operations.

B. Before any dirt work associated with location restoration takes place, the reserve pit will be as dry as possible. All debris in the reserve pit will be removed. Other waste and spoil materials will be disposed of immediately, weather permitting, upon final well completion.

C. If a synthetic, nylon reinforced, liner is used, the excess liner will be cut off and removed and the remaining liner will be torn and perforated while backfilling the reserve pit.

Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The liner will be buried to a minimum of four (4) feet deep.

D. The reserve pit will be reclaimed within one year from the date of final well completion, weather permitting.

E. The reserve pit and that portion of the location not needed for production and storage facilities, and everyday production operations, will be reshaped to the approximate original contours to the extent possible. This will be completed by backfilling and crowning the pit to prevent water from standing. Topsoil will be spread up to the rig anchor points, excluding the area needed for production and storage facilities and everyday production operations. Reseeding, using appropriate reclamation methods, will occur immediately following the spreading of topsoil, weather permitting.

F. Access Roads: The majority of the access roads are maintained by the County Road Department.

G. Well pad: The well pad is located on lands managed by SITLA.

12. Dry Hole

A. At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and DOGM will attach the appropriate surface rehabilitation conditions of approval and full restoration of the location and access road will be completed as required by the State of Utah.

13. OTHER INFORMATION

A. Cultural and archeological surveys have been conducted and a copy of these reports will be submitted to the appropriate State agencies and a copy is made a part of the APD.

B. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or Archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized agency to confirm through the State Historic Preservation Officer the appropriate mitigation standards. Upon verification from the AO the State Historic Preservation Officer that the required mitigation has been completed, the operator will then be allowed to resume construction.

C. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities.

Notifications:

Location Construction

Location Completion

Spud Notice

Casing String and Cementing

BOP and Equipment Tests

First Production Notice

Twenty four (24)hours prior to construction of location and access

Twenty four (24)hours prior to construction of location and access

Twenty four (24) hours prior to construction of location and access

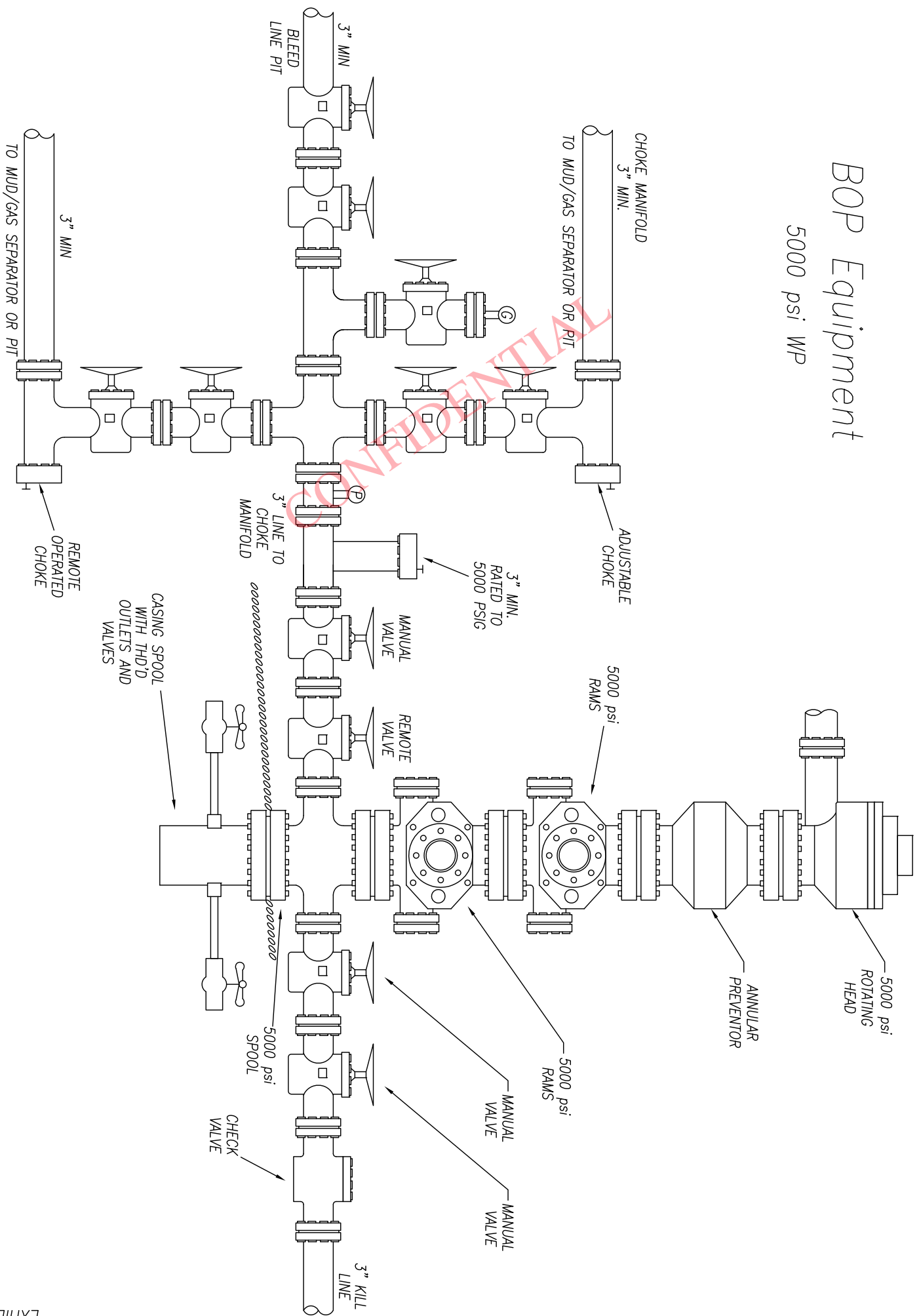
Twenty four (24) hours prior to construction of location and access

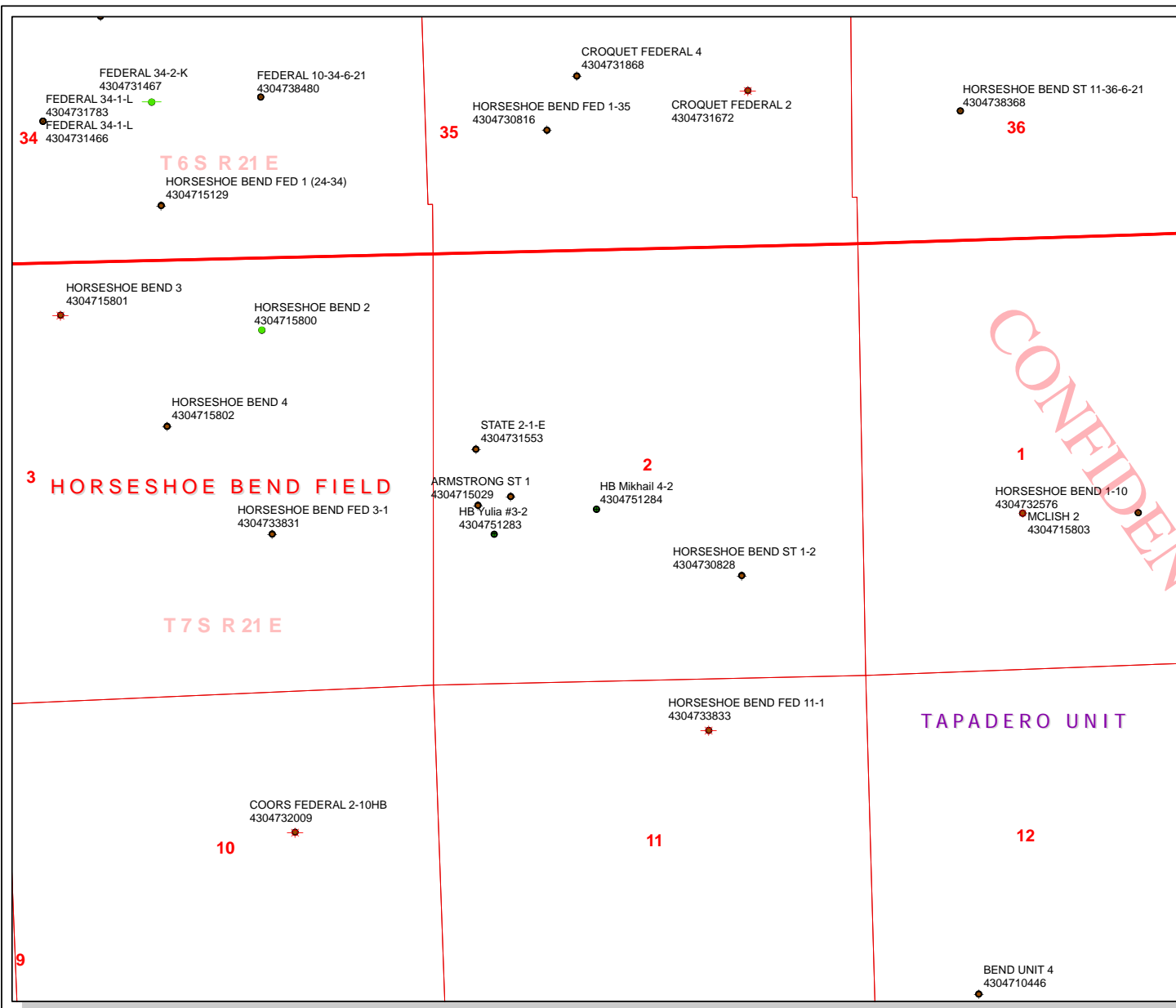
Twenty four (24) hours prior to construction of location and access

Thirty days after First Sales

BOP Equipment

5000 psi WP

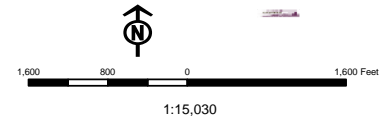
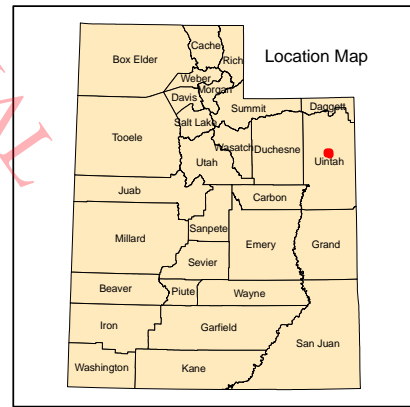




API Number: 4304751284
Well Name: HB Mikhail 4-2
Township 07.0 S Range 21.0 E Section 02
Meridian: SLBM
Operator: QUINEX ENERGY CORP

Map Prepared:
 Map Produced by Diana Mason

- | Units | Status | Wells Query |
|--------------|---------------|------------------------------------|
| ACTIVE | EXPLORED | APD - Approved Permit |
| GAS STORAGE | NF PP OIL | DRL - Spudded (Drilling Commenced) |
| NF SECONDARY | PI OIL | GW - Gas Injection |
| PP GAS | PP GEOTHERMAL | GS - Gas Storage |
| PP OIL | SECONDARY | LA - Location Abandoned |
| TERMINATED | | LOC - New Location |
| | | OPS - Operation Suspended |
| | | PA - Plugged Abandoned |
| | | PGW - Producing Gas Well |
| | | POW - Producing Oil Well |
| | | RET - Returned APD |
| | | SGW - Shut-in Gas Well |
| | | SOW - Shut-in Oil Well |
| | | TA - Temp. Abandoned |
| | | TW - Test Well |
| | | WDW - Water Disposal |
| | | WW - Water Injection Well |
| | | WSW - Water Supply Well |



From: Jim Davis
To: Bonner, Ed; Mason, Diana
CC: Don Hamilton; Garrison, LaVonne
Date: 10/12/2010 11:20 AM
Subject: HB Yulia 3-2 and Mikhail 4-2 approvals

The following Quinex APDs have been approved by SITLA including arch and paleo clearance. No stipulations from SITLA on either resource.

HB Yulia 3-2 (4304751283) and HB Mikhail 4-2 (4304751284)

Thanks.
-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156

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Well Name	QUINEX ENERGY CORP HB Mikhail 4-2 43047512840000			
String	Surf	Prod		
Casing Size(in)	9.625	7.000		
Setting Depth (TVD)	720	7200		
Previous Shoe Setting Depth (TVD)	0	720		
Max Mud Weight (ppg)	8.9	9.1		
BOPE Proposed (psi)	500	5000		
Casing Internal Yield (psi)	3950	7240		
Operators Max Anticipated Pressure (psi)	3120	8.3		

Calculations	Surf String	9.625	"
Max BHP (psi)	.052*Setting Depth*MW=	333	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	247	YES
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	175	YES OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	175	NO OK
Required Casing/BOPE Test Pressure=		720	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient

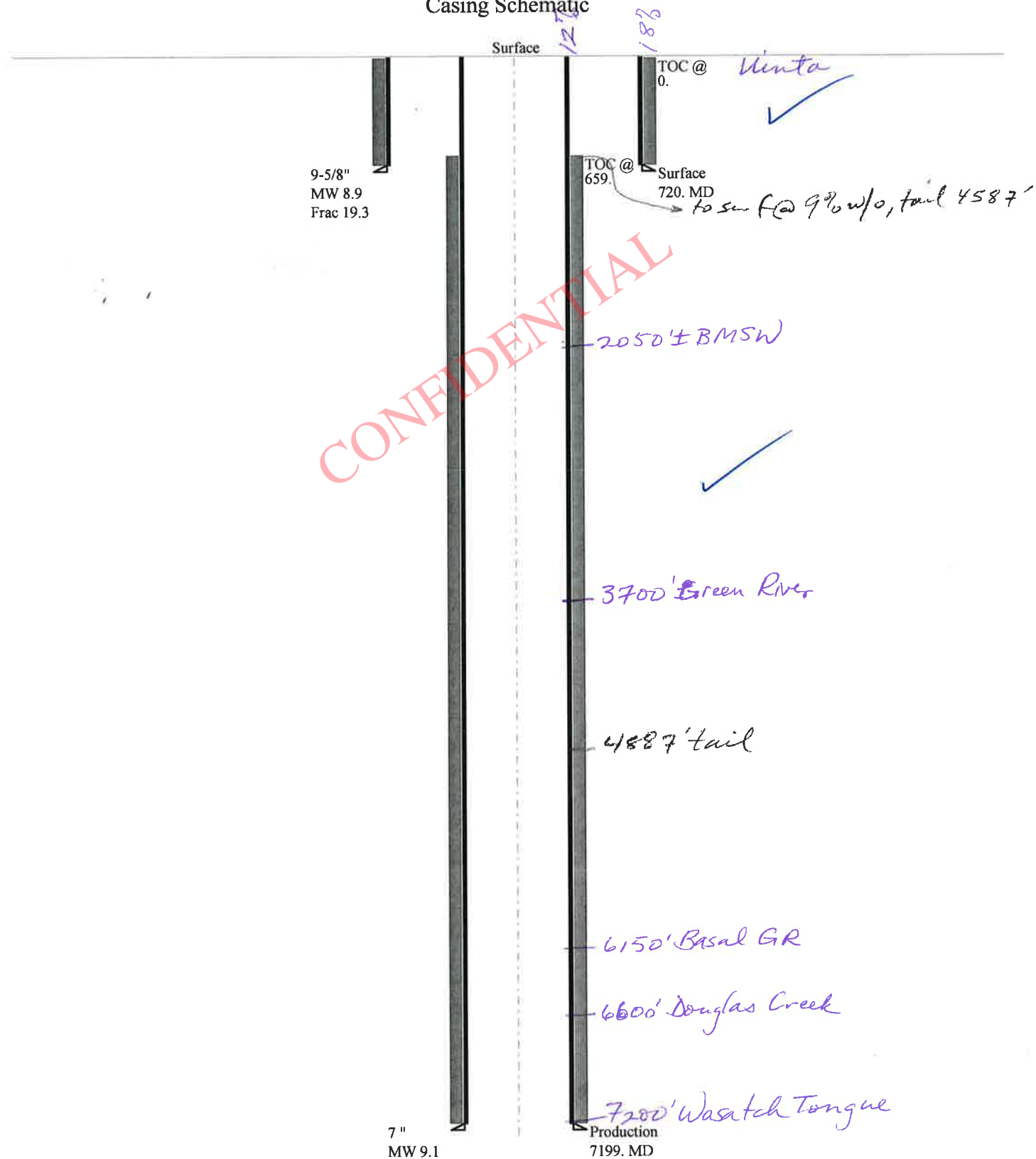
Calculations	Prod String	7.000	"
Max BHP (psi)	.052*Setting Depth*MW=	3407	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	2543	YES
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	1823	YES OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	1981	NO Reasonable
Required Casing/BOPE Test Pressure=		5000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		720	psi *Assumes 1psi/ft frac gradient

Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO
Required Casing/BOPE Test Pressure=			psi
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient

Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO
Required Casing/BOPE Test Pressure=			psi
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient

43047512840000 HB Mikhail 4-2

Casing Schematic



Well name: 43047512840000 HB Mikhail 4-2	
Operator: QUINEX ENERGY CORP	Project ID: 43-047-51284
String type: Surface	
Location: UINTAH COUNTY	

Design parameters:
Collapse

Mud weight: 8.900 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 84 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 634 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 720 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.70 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 625 ft

Non-directional string.
Re subsequent strings:

Next setting depth: 7,200 ft
Next mud weight: 9.100 ppg
Next setting BHP: 3,404 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 720 ft
Injection pressure: 720 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	720	9.625	40.00	J-55	ST&C	720	720	8.75	6268
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	333	2570	7.720	720	3950	5.49	28.8	452	15.69 J

Prepared Helen Sadik-Macdonald
by: Div of Oil, Gas & Mining

Phone: 801 538-5357
FAX: 801-359-3940

Date: October 12, 2010
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 720 ft, a mud weight of 8.9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	43047512840000 HB Mikhail 4-2		
Operator:	QUINEX ENERGY CORP		
String type:	Production	Project ID:	43-047-51284
Location:	UINTAH COUNTY		

Design parameters:
Collapse

Mud weight: 9.100 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 175 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft

Cement top: 659 ft

Burst

Max anticipated surface pressure: 1,820 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 3,403 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.60 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 6,211 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	7199	7	26.00	N-80	LT&C	7199	7199	6.151	64005
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	3403	5410	1.590	3403	7240	2.13	187.2	519	2.77 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 801 538-5357
FAX: 801-359-3940

Date: October 13, 2010
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 7199 ft, a mud weight of 9.1 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

ON-SITE PREDRILL EVALUATION**Utah Division of Oil, Gas and Mining**

Operator	QUINEX ENERGY CORP				
Well Name	HB Mikhail 4-2				
API Number	43047512840000	APD No	3007	Field/Unit	HORSESHOE BEND
Location: 1/4,1/4	NESW	Sec 2	Tw 7.0S	Rng 21.0E	2114 FSL 2047 FWL
GPS Coord (UTM)	625509	4455179	Surface Owner		

Participants

Floyd Bartlett (DOGM), Ben Williams and Alex Hansen (UDWR) Mike Hebertson and Paul Wells (Quinex Energy Corp.) and Jake Huffman (Huffman Enterprises-Dirt Contractor).

Regional/Local Setting & Topography

The area is approximately 15 air miles directly south of Vernal, Uintah County, Utah. Access is by State of Utah highways and Uintah County roads to within about 150 feet of the proposed pad. New construction will be required from this point.

Section 2 is an isolated lease section primarily owned by SITLA with what appears to be private lands in the north portion. The minerals are also SITLA. The bottom or south end of the Horseshoe Bend of the Green River cuts in an east to west direction through the north end of the section. The section is bordered on the other three sides by Federal lands administered by the BLM. Topography in the general area is undulating except steep where it drops into the Green River valley. The Green River is approximately ¼ air-miles to the north. No streams springs or open water occur in the immediate area.

The pad for the proposed HB Mikhail 4-2 oil well is on the north end of a gentle sloping flat which partially overlooks the Green River to the north. The area is sandy but has considerable exposed sandstone bedrock on the east side which probably extends covered with sand to the west where the reserve pit is planned. Location Corners 6 and 8 may be rounded to reduce the amount of fill. A gentle swale runs northerly through the west part of the location. This swale will be filled and no diversions are needed. The north end of the location continuing south along the outside of the pad will be bermed as a precaution against uncontrolled fluids leaving the location and flowing toward the river. The selected site is within the normal drilling window and appears to be stable and a suitable site for drilling and operating the well. At the discretion of Quinex, production from this location may be piped to tanks on the HB Yulia #3-2 which is about ¼ mile to the west and within this lease. Two surface gas pipes parallel the County road which is immediately south of the pad. Production gas will be used to power a generator which will supply electricity to the pump jack and other needs on the location.

Surface Use Plan**Current Surface Use**

Grazing
Recreational
Wildlife Habitat

New Road Miles	Well Pad	Src Const Material	Surface Formation
0.01	Width 260 Length 355	Onsite	DUCHR

Ancillary Facilities N

Waste Management Plan Adequate?**Environmental Parameters**

Affected Floodplains and/or Wetlands N**Flora / Fauna**

Vegetation is a desert shrub community. Principal plants include. Big sage, black sage, buckwheat, Mormon Tea, needle and thread grass, rabbit brush, Indian rice grass, horse brush, cheat grass, broom snake weed, prickly pear aster and annuals.

Cattle, antelope, coyote, small mammals and birds.

Soil Type and Characteristics

Shallow sandy loam with exposed sandstone bedrock.

Erosion Issues N**Sedimentation Issues N****Site Stability Issues N****Drainage Diversion Required? N****Berm Required? N**

Quinex plans to berm the north side of the location as a precaution to any fluids leaving the location.

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit**Site-Specific Factors****Site Ranking**

Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	High permeability	20
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)		0
Affected Populations		
Presence Nearby Utility Conduits	Not Present	0
Final Score		30

1 Sensitivity Level

Characteristics / Requirements

A reserve pit to hold the drilling fluids is planned in the south west side of the location. It is 80' x 100' by 10' deep. Pit Corner C is within 0.8 feet of fill. With the planned two feet of freeboard and the 10' wide bench along that side, no stability problems are expected. The pit will be lined with a minimum of 16-mil liner with a felt sub-liner.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

Other Observations / Comments

Floyd Bartlett
Evaluator

10/4/2010
Date / Time

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Application for Permit to Drill

Statement of Basis

10/25/2010

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
3007	43047512840000	LOCKED	OW	S	No
Operator	QUINEX ENERGY CORP		Surface Owner-APD		
Well Name	HB Mikhail 4-2		Unit		
Field	HORSESHOE BEND		Type of Work		DRILL
Location	NESW 2 7S 21E S 2114 FSL 2047 FWL GPS Coord (UTM) 625516E 4455186N				

Geologic Statement of Basis

Quinex proposes to set 400 feet of surface casing at this location. The depth to the base of the moderately saline ground water is estimated to be 2,050 feet. A search of Division of Water Rights records indicates that there are no water wells within a 10,000 foot radius of the center of Section 2. The surface formation at the proposed site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and is not expected to be a high volume source of ground water. Production casing cement should be brought up to the base of the moderately saline ground water in order to isolate it from fresher waters uphole.

Brad Hill
APD Evaluator

10/5/2010
Date / Time

Surface Statement of Basis

The area is approximately 15 air miles directly south of Vernal, Uintah County, Utah. Access is by State of Utah highways and Uintah County roads to within about 150 feet of the proposed pad. New construction will be required from this point.

Section 2 is an isolated lease section primarily owned by SITLA with what appears to be private lands in the north portion. The minerals are also SITLA. The bottom or south end of the Horseshoe Bend of the Green river cuts in an east to west direction through the north end of the section. The section is bordered on the other three sides by Federal lands administered by the BLM. Topography in the general area is undulating except steep where it drops into the Green River valley. The Green River is approximately ¼ air-miles to the north. No streams springs or open water occur in the immediate area.

The pad for the proposed HB Mikhail 4-2 oil well is on the north end of a gentle sloping flat which partially overlooks the Green River to the north. The area is sandy but has considerable exposed sandstone bedrock on the east side which probably extends covered with sand to the west where the reserve pit is planned. Location Corners 6 and 8 may be rounded to reduce the amount of fill. A gentle swale runs northerly through the west part of the location. This swale will be filled and no diversions needed. The north end of the location continuing south along the outside of the pad will be bermed as a precaution against uncontrolled fluids leaving the location and flowing toward the river. The selected site is within the normal drilling window and appears to be stable and a suitable site for drilling and operating the well. At the discretion of Quinex, production from this location may be piped to tanks on the HBYulia #3-2 which is about ¼ mile to the west and within this lease. Two surface gas pipes parallel the County road which is immediately south of the pad. Production gas will be used to power a generator which will supply electricity to the pump jack and other needs on the location.

Ben Williams and Alex Hansen represented the Utah Division of Wildlife Resources at the pre-site visit. Mr. William stated the area is classified as crucial yearlong habitat for antelope. However, he did not recommended and restrictions for this species. No other wildlife is expected to be significantly affected. SITLA was invited but did not attend. SITLA is to be contacted for reclamation standards including seed mixes to be used.

Application for Permit to Drill Statement of Basis

10/25/2010

Utah Division of Oil, Gas and Mining

Page 2

Floyd Bartlett
Onsite Evaluator

10/4/2010
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.

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WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 9/7/2010

API NO. ASSIGNED: 43047512840000

WELL NAME: HB Mikhail 4-2

OPERATOR: QUINEX ENERGY CORP (N9995)

PHONE NUMBER: 435 719-2018

CONTACT: Don Hamilton

PROPOSED LOCATION: NESW 02 070S 210E

Permit Tech Review: ☒

SURFACE: 2114 FSL 2047 FWL

Engineering Review: ☒

BOTTOM: 2114 FSL 2047 FWL

Geology Review: ☒

COUNTY: UINTAH

LATITUDE: 40.23962

LONGITUDE: -109.52446

UTM SURF EASTINGS: 625516.00

NORTHINGS: 4455186.00

FIELD NAME: HORSESHOE BEND

LEASE TYPE: 3 - State

LEASE NUMBER: ML-50418

PROPOSED PRODUCING FORMATION(S): GREEN RIVER-WASATCH

SURFACE OWNER: 3 - State

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- ☒ **PLAT**
- ☒ **Bond:** STATE/FEE - NZS499876
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☒ **Water Permit:** Naples City Municipal Water Source
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

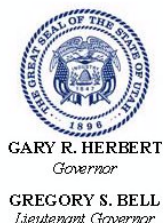
Commingle Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**
- Unit:**
- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ☒ **Drilling Unit**
- Board Cause No:** R649-3-2
- Effective Date:**
- Siting:**
- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations:
5 - Statement of Basis - bhill
10 - Cement Ground Water - hmadonald
23 - Spacing - dmason



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: HB Mikhail 4-2
API Well Number: 43047512840000
Lease Number: ML-50418
Surface Owner: STATE
Approval Date: 10/25/2010

Issued to:

QUINEX ENERGY CORP, 465 South 200 West, Bountiful, UT 84010

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the GREEN RIVER-WASATCH Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

The 5 ½" casing string cement shall be brought back to ±620' to isolate base of moderately saline ground water.

Additional Approvals:

The operator is required to obtain approval from the Division of Oil, Gas and mining before

performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan – contact Dustin Doucet
- Significant plug back of the well – contact Dustin Doucet
- Plug and abandonment of the well – contact Dustin Doucet

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels
OR
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program – contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well – contact Dan Jarvis

Contact Information:

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
801-231-8956 - after office hours

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

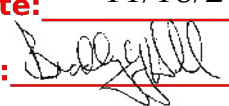
- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

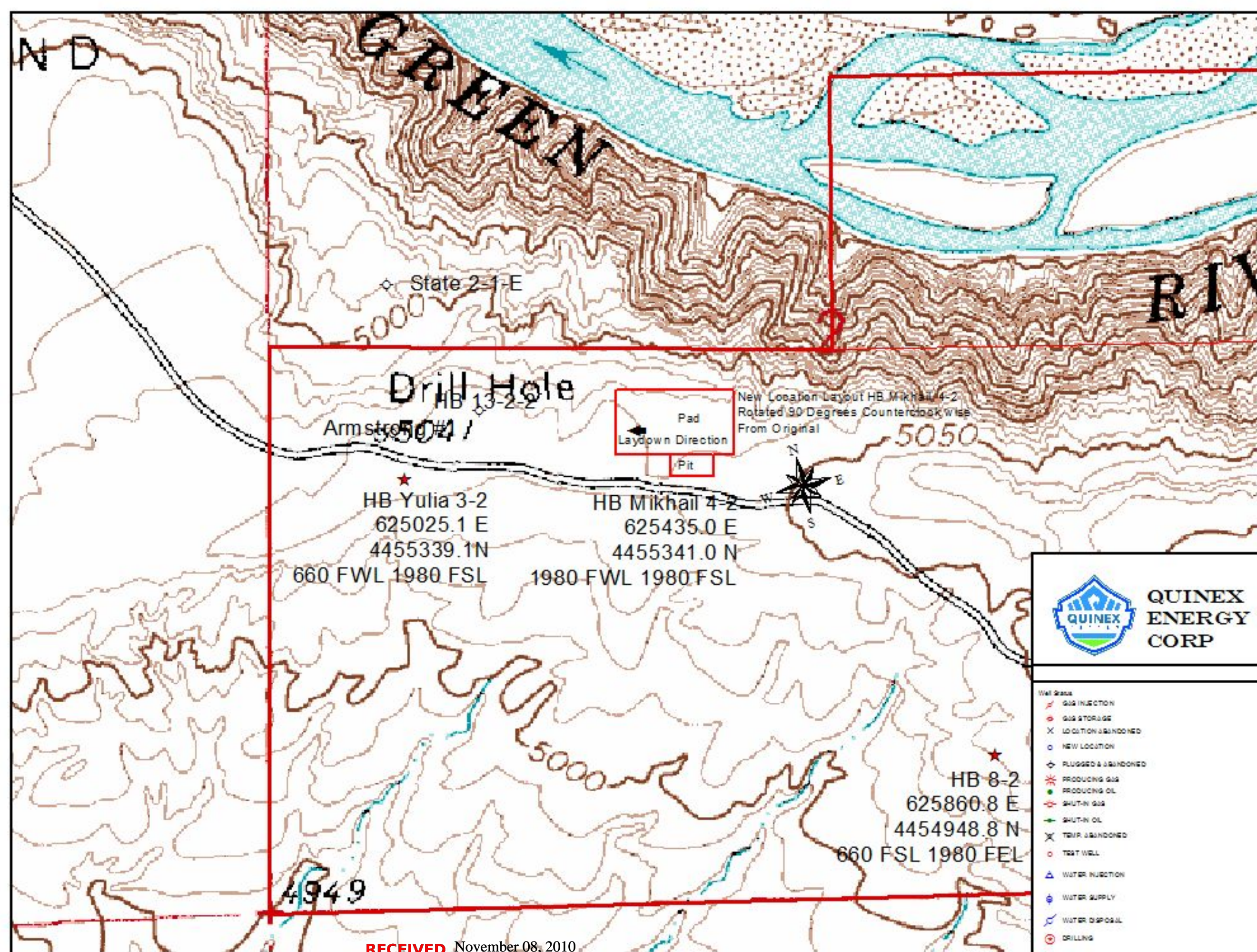
Approved By:



For John Rogers
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50418
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: QUINEX ENERGY CORP		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 465 South 200 West, Bountiful, UT, 84010		8. WELL NAME and NUMBER: HB MIKHAIL 4-2
PHONE NUMBER: 801 292-3800 Ext		9. API NUMBER: 43047512840000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2114 FSL 2047 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 02 Township: 07.0S Range: 21.0E Meridian: S		9. FIELD and POOL or WILDCAT: HORSESHOE BEND
		COUNTY: UINTAH
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 11/15/2010	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The HB Mikhail 4-2 was Dry Hole Spud by Leon Ross Drilling Monday, November 15, 2010. The surface hole will be drilled to 720' and 9 5/8" casing will be set and cemented back to surface.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY November 15, 2010		
NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 11/15/2010	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50418			
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: QUINEX ENERGY CORP		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: 465 South 200 West, Bountiful, UT, 84010		8. WELL NAME and NUMBER: HB MIKHAIL 4-2			
PHONE NUMBER: 801 292-3800 Ext		9. API NUMBER: 43047512840000			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2114 FSL 2047 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 02 Township: 07.0S Range: 21.0E Meridian: S		9. FIELD and POOL or WILDCAT: HORSESHOE BEND			
COUNTY: UINTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/9/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION
<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The location for the HB Mikhail 4-2 well is being rotated 90 degrees counterclockwise to more adequately accommodate the rig and placement of the reserve pit. This action will place the pit in a more secure cut position, and keep the crown of the rig from hanging over the cliff during rig up and rig down.					
Approved by the Utah Division of Oil, Gas and Mining Date: 11/18/2010 By: 		OTHER: See attached Plat			
NAME (PLEASE PRINT) K. Michael Hebertson		PHONE NUMBER 801 292-3800			
SIGNATURE N/A		TITLE Geologist			
DATE 11/8/2010					



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50418
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: QUINEX ENERGY CORP		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 465 South 200 West, Bountiful, UT, 84010		8. WELL NAME and NUMBER: HB MIKHAIL 4-2
PHONE NUMBER: 801 292-3800 Ext		9. API NUMBER: 43047512840000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2114 FSL 2047 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 02 Township: 07.0S Range: 21.0E Meridian: S		9. FIELD and POOL or WILDCAT: HORSESHOE BEND
		COUNTY: UTAH
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 11/15/2010	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The HB Mikhail 4-2 was Dry Hole Spud by Leon Ross Drilling Monday, November 15, 2010. The surface hole will be drilled to 720' and 9 5/8" casing will be set and cemented back to surface.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY November 15, 2010		
NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 11/15/2010	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50418
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		STATE: UTAH
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TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 11/18/2010	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input checked="" type="checkbox"/> OTHER	
	OTHER: <input type="text" value="See Below"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Drilled to 755' and encountered water at 345' water did not flow to surface. Run 742' of 9 5/8 J 55 40lb casing, and cement with 340 sacks of class G cement with 2% Celoflake. Returns to surface with 10 BBLS left to pump. Cement fell after shutting down. Allowed Cement to set for 3 hours and ran top job cement. 40 sacks brought cement to surface and did not fall back. Shut down and allow to cure.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY 11/18/2010		
NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 11/18/2010	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Quinex Energy Corporation
Address: 465 South 200 West
city Bountiful
state UT zip 84010

Operator Account Number: N 9995
Phone Number: (801) 292-3800

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751283	HB Yulia 3-2		NWSW	2	07S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	17876	11/9/2010			11/29/10	
Comments: <u>GR-WS</u>							

CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751284	HB Mikhail 4-2		NESW	2	07S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	17877	11/15/2010			11/29/10	
Comments: <u>GR-WS</u>							

CONFIDENTIAL

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments: 							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

K. Michael Hebertson (Signature on file)

Name (Please Print)

Signature

President

Title

11/19/2010

Date

RECEIVED

NOV 22 2010

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50418
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2. NAME OF OPERATOR: QUINEX ENERGY CORP		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 465 South 200 West , Bountiful, UT, 84010		8. WELL NAME and NUMBER: HB MIKHAIL 4-2
PHONE NUMBER: 801 292-3800 Ext		9. API NUMBER: 43047512840000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2114 FSL 2047 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 02 Township: 07.0S Range: 21.0E Meridian: S		9. FIELD and POOL or WILDCAT: HORSESHOE BEND
		COUNTY: UINTAH
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 12/20/2010	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> DRILLING REPORT Report Date:	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 The BOPE was tested and the rotary drilling equipment was run 720' to the bottom of the surface equipment and rotary drilling commenced at about 2:00 AM 20 December 2010.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 12/20/2010	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50418
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		COUNTY: UINTAH
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/29/2011	<input checked="" type="checkbox"/> OTHER		
<input type="checkbox"/> SPUD REPORT Date of Spud:	OTHER: Casing and Cement		
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See the attached

Accepted by the
 Utah Division of
 Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 1/10/2011	

FINAL CEMENTING FOR THE HB MIKHAIL 4-2

RUN CASING 179 JTS 7 INCH 26 lb N80

CEMENT CASING WITH 250 SKS LEAD 11#gal PRE TYPE V FOR THE LEAD CEMENT
TAILCEMENT: 550 SKS 50/50 CLASS "G" 14.2 # PER GAL
& ¼ LB CELOFLAKE PER SK FOR LOST CIRCULATION

LANDED PLUG WITH 2450 PSI

MUD FLUSH TO SURFACE AT THE END OF PUMPING
AND FULL RETURNS WHILE CEMENTING

NIPPLE DOWN STACK

SET SLIPS WITH 20K TENSION

RELEASE RIG 29-DECEMBER-2010 6:00 PM

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9																														
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <div style="text-align: center; padding: 20px;"> Waiting on completion <div style="text-align: right; font-weight: bold; font-size: 1.2em;"> Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY </div> </div>																																
NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist																														
SIGNATURE N/A		DATE 1/10/2011																														

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: QUINEX ENERGY CORP		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 465 South 200 West, Bountiful, UT, 84010		8. WELL NAME and NUMBER: HB MIKHAIL 4-2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2114 FSL 2047 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 02 Township: 07.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047512840000
PHONE NUMBER: 801 292-3800 Ext		9. FIELD and POOL or WILDCAT: HORSESHOE BEND
COUNTY: UINTAH		STATE: UTAH
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TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 7/19/2011	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> CHANGE WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
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	<input checked="" type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> APD EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input checked="" type="checkbox"/> OTHER	
	OTHER: <input style="width: 100px;" type="text" value="Testing"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Qinx is currently test the lower Green River for hydrocarbon production. Testing will continue for at least 30 days prior to production being determined.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 7/19/2011	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

CONFIDENTIAL

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME 	
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: HB Mikhail #4-2	
2. NAME OF OPERATOR: Quinex Energy Corporation		9. API NUMBER: 4304751284	
3. ADDRESS OF OPERATOR: 465 West 200 South CITY Bountiful STATE UT ZIP 84010		10 FIELD AND POOL, OR WILDCAT Horseshoe Bend	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2,114' FSL 2,047' FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: Same AT TOTAL DEPTH: Same		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 2 7S 21E S	
		12. COUNTY Uintah	13. STATE UTAH

14. DATE SPURRED: 11/15/2010	15. DATE T.D. REACHED: 12/23/2010	16. DATE COMPLETED: 8/20/2011	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): DF5054KB5055GL504
18. TOTAL DEPTH: MD 7,197 TVD	19. PLUG BACK T.D.: MD TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Isolation Behind Casing, Comp. Den./Comp. Neu., Array Ind., Quicklook, Hole Vol./Cal.			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4"	9 5/8"		0	720					
8 3/4"	7.0" N-80	26	0	7,197		"Prem 250			
						"G" Tail 550		surface	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8'	6,820	6,790						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Green River	3,571	6,990			6,842 6,850	0.36	32	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Wasatch (Transitic	6,990				6,864 6,874	0.36	40	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6842' - 6850'	114,410 gal. (2,724 bbl.); 150,945 #, adds. (1,119 gals., 165 #)
6864' - 6874'	See above - Combined total for both zones

29. ENCLOSED ATTACHMENTS:

- | | | | |
|---|--|---------------------------------------|---|
| <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS | <input type="checkbox"/> GEOLOGIC REPORT | <input type="checkbox"/> DST REPORT | <input type="checkbox"/> DIRECTIONAL SURVEY |
| <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION | <input type="checkbox"/> CORE ANALYSIS | <input type="checkbox"/> OTHER: _____ | |

30. WELL STATUS:

Producing

RECEIVED

AUG 25 2011

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 7/19/2011		TEST DATE:		HOURS TESTED: 0		TEST PRODUCTION RATES: →		OIL – BBL: 20		GAS – MCF:		WATER – BBL: 100		PROD. METHOD: lift	
CHOKE SIZE:	TBG. PRESS. 10	CSG. PRESS. 50	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →		OIL – BBL: 20		GAS – MCF:		WATER – BBL: 100		INTERVAL STATUS:	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Used on lease

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	3,571	6,990	Sandstone	Tgr Basal Tgr Douglas Creek Wasatch Tongue	5,940 6,403 6,990

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) K. Michael HebertsonTITLE GeologistSIGNATURE K. Michael HebertsonDATE 8/24/2011

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
Fax: 801-359-3940

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50418
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PHONE NUMBER: 801 292-3800 Ext		9. FIELD and POOL or WILDCAT: HORSESHOE BEND
COUNTY: UINTAH		STATE: UTAH

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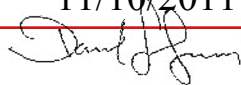
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 10/13/2011	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: Reserve Pit Extension
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well is still in the evaluation stage and further completion work is being scheduled. Quinex is therefore requesting an extension of 8 months to keep the reserve open. Quinex will maintain the fence around the pit and will haul water to an approved disposal facility as necessary to assure compliance with State of Utah standards.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 11/10/2011

By: 

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 10/13/2011	

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**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 11/10/2011

By:

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 10/13/2011	

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<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 1/12/2012	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER	
	OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <div style="text-align: center;"> Shut-In for further evaluation </div> <div style="text-align: right; margin-top: 20px;"> Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY January 12, 2012 </div>		
NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A		DATE 1/12/2012

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-50418
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well		8. WELL NAME and NUMBER: HB MIKHAIL 4-2
2. NAME OF OPERATOR: QUINEX ENERGY CORP		9. API NUMBER: 43047512840000
3. ADDRESS OF OPERATOR: 465 South 200 West, Bountiful, UT, 84010		9. FIELD and POOL or WILDCAT: HORSESHOE BEND
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2114 FSL 2047 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 02 Township: 07.0S Range: 21.0E Meridian: S		COUNTY: UINTAH
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 1/12/2012			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Shut-in for further evaluation

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 January 13, 2012

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A		DATE 1/12/2012